



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: 213-240-8101
Fax: 213-481-0503

www.dhs.lacounty.gov

*To improve health
through leadership,
service and education*



www.dhs.lacounty.gov

September 9, 2008

REVISED

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE AMENDMENT NO. 4 TO AGREEMENT
WITH FORTINO CASTANEDA, M.D., INC. FOR RADIOLOGY
AND TELERADIOLOGY SERVICES
(SUPERVISORIAL DISTRICTS 2, 4 AND 5)
(3 VOTES)**

SUBJECT

Request approval of an amendment to the existing Agreement with Fortino Castaneda, M.D. Inc to extend the term for the provision of teleradiology and radiology services for four months.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Interim Director of Health Services, or his designee, to execute and sign Amendment No. 4 to Agreement No. H-701705 with Fortino Castaneda, M.D. Inc. (Fortino) to extend the term for four months, effective September 1, 2008 through December 31, 2008, for the continued provision of radiology and teleradiology services, at a total maximum obligation of \$486,000 for the extension period of the Agreement.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION

The purpose of this action is to allow the Interim Director, or his designee, to enter into Amendment No. 4, substantially similar to Exhibit I, which will provide uninterrupted, critical teleradiology and radiology services to Rancho Los Amigos National Rehabilitation Center (RLANRC), Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK-MACC), Olive View-UCLA Medical Center (OV-UCLA), High Desert Health System (HDHS) and Harbor-UCLA Medical Center (H-UCLA). The extension is necessary to allow the Department of Health

Services (DHS or Department) the additional time necessary to complete a solicitation for successor contracts. The solicitation process has taken longer than DHS anticipated and these critical services must continue to be made available with no lapse in the Agreement.

The radiology and teleradiology services include as-needed on-site coverage which is necessary to address critical staff shortages, peak workload requirements and emergencies by providing additional radiology staff and services for the facilities in DHS.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Service Excellence of the County's Strategic Plan by providing the ongoing availability of additional teleradiology and radiology services to augment the existing County staff.

FISCAL IMPACT/FINANCING

Payment is set on a fee per-study basis for each study for which there is a dictated and signed report. The rates of payment are unchanged by this Amendment. The total maximum obligation for the extension period September 1, 2008 through December 31, 2008 is \$486,000, consisting of \$154,650 for MLK-MACC, \$23,330 for H-UCLA, \$123,340 for OV-UCLA, \$168,000 for HDHS and \$16,680 for RLANRC. Funding is included in the Department's Fiscal Year (FY) 2008-09 Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The recruitment and retention of qualified physician radiologists continues to be difficult for all of the facilities in DHS. Martin Luther King, Jr./Drew Medical Center was the first facility which required supplemental contract teleradiology and radiology services due to the removal of the accreditation of the radiology resident training program in June 2004 and the lack of supplemental coverage provided by medical residents. Maintaining adequate staffing for radiology services continues to be an ongoing need not only at MLK-MACC, but throughout the Department.

On October 18, 2005, the Board approved a sole source Agreement with Fortino to augment the number of staff available to provide radiology and teleradiology services to Martin Luther King, Jr./Drew Medical Center patients. These additional contract services were necessary to address the peak workloads and emergencies at the facility. The term of the agreement has since been extended twice.

On August 15, 2006 and August 21, 2007 the Board approved Amendment's No. 1 and 2 respectively. Both amendments extended the term of the agreement. Amendment No. 2 was necessary to provide the Department additional time to release a solicitation and complete the selection process and also expanded the provision of services to H-UCLA, OVMC and HDHS.

On November 6, 2007, the Board approved Amendment No. 3 which expanded the provision of services to RLANRC.

The Board has authorized DHS to extend the term of the agreement and expand the provision of service to include other DHS facilities through subsequent amendments. The current agreement will expire on August 31, 2008.

The recommended Amendment to the Agreement with Fortino will extend the provision of contract services effective September 1, 2008 through December 31, 2008 and allow the Department the additional time necessary to complete the open competitive solicitation process.

The Agreement includes all of the standard provisions mandated by the Board. In addition, the Agreement includes mutual indemnity provisions and coverage of malpractice liability by the County for off-site teleradiology services.

County Counsel has reviewed and approved Exhibit I as to use and form.

The County may terminate the Agreement upon a 30-day advance written notice to Fortino. Fortino may terminate the Agreement upon a 60-day advance written notice to the County.

CONTRACTING PROCESS

The Fortino Agreement was issued as a sole source contract. The solicitation for replacement agreements was delayed due to the need to complete a comprehensive statement of work which will include multiple DHS facilities. Additional delays have also been associated with the staffing shortages in the DHS Contracts and Grants Division.

The Department has completed the solicitation document and released it on September 3, 2008.

The solicitation has been posted on the Los Angeles County Online website.

The Honorable Board of Supervisors
September 9, 2008
Page 4

IMPACT ON CURRENT SERVICES (OR PROJECT)

Board approval of the recommended amendment will ensure the continued provision of critical physician radiology services to the patients served by all DHS facilities.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'JF Schunhoff', with a stylized, wavy line extending from the end.

John F. Schunhoff, Ph. D.
Interim Director of Health Services

JFS:pm

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

RADIOLOGY AND TELERADIOLOGY SERVICES AGREEMENT

Amendment No. 4

THIS AMENDMENT is made and entered into this _____ day
of _____, 2008,

by and between COUNTY OF LOS ANGELES (hereafter
"County")

and FORTINO CASTANEDA, M.D., INC.
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled
"RADIOLOGY AND TELERADIOLOGY SERVICES AGREEMENT" dated October
18, 2005 and further identified as County Agreement Number H-
701705, and any Amendments thereto (all hereafter referred to as
"Agreement");

WHEREAS, it is the intent of the parties hereto to extend
Agreement and provide other changes set forth herein; and

WHEREAS, said Agreement provides that changes may be made in
the form of a written Amendment which is formally approved and
executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective September 1,
2008.

2. Paragraph 2, TERM AND TERMINATION of the body of this
Agreement shall be amended to read as follows:

"2. TERM AND TERMINATION: The term of this Agreement shall commence upon date of Board approval, and shall continue in full force and effect to and including February 28, 2009, unless terminated sooner pursuant to the terms of this Agreement. All provisions of the Agreement in effect on the date the extension period commences shall remain in effect for the duration of the extension.

Except as otherwise set forth below, this Agreement may be terminated at any time by the County, with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice thereof to the Contractor.

County may terminate this Agreement immediately if Contractor, or any of its officers, employees, or agents, including any one or more of its physician affiliates, fail to comply with the terms of this Agreement, or fail to carry out within a reasonable time any directions, by or on behalf of County issued pursuant to this Agreement.

County may terminate this Agreement, in whole or in part immediately, if Martin Luther King, Jr. Multi-Service Ambulatory Care Center loses its license or is otherwise closed.

County may also terminate this Agreement immediately if County has a reasonable belief that Contractor, its physician affiliates or its principals, may be engaging in a

course of conduct which poses an imminent danger to the life or health of County patients.

In cases of immediate termination, County shall provide a written "Notice of Immediate Termination" which shall be effective upon Contractor's receipt of it, or upon the date specified in the Notice, whichever is later.

County's failure to exercise its rights of termination shall not constitute waiver of such rights, and the same may be exercised at any subsequent time.

This Agreement may be terminated at any time by the Contractor, with or without cause, upon the giving of at least sixty (60) calendar days' advance written notice thereof to the County."

3. Paragraph 6, MAXIMUM OBLIGATION, of the body of the Agreement shall be amended to read as follows:

"6. MAXIMUM OBLIGATION: The maximum compensation shall be as follows:

A. For the period, date of Board approval through August 31, 2006, the maximum obligation shall not exceed One Million Four Hundred Thousand Dollars (\$1,400,000).

B. For the period, September 1, 2006 through February 28, 2007, the maximum obligation shall not exceed Seven Hundred Thousand Dollars (\$700,000).

C. For the period, March 1, 2007 through August 31, 2007, the maximum obligation shall not exceed Seven Hundred Thousand Dollars (\$700,000).

D. For the period, September 1, 2007 through August 31, 2008, the maximum obligation shall not exceed One Million Seven Hundred Ninety Eight Thousand, Seven Hundred Dollars (\$1,798,700).

E. For the period, September 1, 2008 through December 31, 2008, the maximum obligation shall not exceed Four Hundred Eighty Six Thousand Dollars (\$486,000).

In the event that this Agreement is suspended, canceled, or terminated, County's payment obligation above shall cease as of the date of such suspension, cancellation, or termination.

Contractor shall pay the wages of his or her employees or agents who may render services hereunder as well as be responsible for all employment obligations and benefits for each employee, including, but not limited to, federal and State withholding taxes, Social Security taxes, Unemployment Insurance and Disability payments, if any.

Contractor agrees that should it perform services not requested and specified under this Agreement, such services shall be deemed to be a gratuitous effort on the part of Contractor and Contractor shall have no claim against County for such services."

4. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
John F. Schunhoff, Ph.D
Interim Director of Health Services

FORTINO CASTANEDA, M.D., INC.
Contractor

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL

By _____
Signature

Principal Deputy County Counsel

Printed Name

Title _____
(AFFIX CORPORATE SEAL HERE)

AMEND4Fortino.KS:09/03/08